

## Message Text

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ACTION EB-08

INFO OCT-01 EA-09 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01

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L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15 OES-06

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/115 W

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R 280750Z APR 77

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 7325

UNCLAS TOKYO 6257

DEPT PLEASE PASS ALL IEA CAPITALS

E.O. 11652: N/A

TAGS: ENRG JA

SUBJECT: U.S. ENERGY POLICY - JAPANESE REACTION

REF: STATE 90458; TOKYO 5848; (NOTAL) TOKYO 6205 (NOTAL)

1. SUMMARY. FOLLOWING INITIAL, AND GENERALLY FAVORABLE PRESS COVERAGE OF THE PRESIDENT'S FIRESIDE CHAT AND MESSAGE TO CONGRESS ON NEW ADMINISTRATION PROPOSALS ON ENERGY, FOCUS HAS NARROWED TO THE NUCLEAR REPROCESSING ISSUE, AND CONCERN ABOUT THE EFFECT ON JAPAN'S AUTOMOBILE EXPORTS TO THE U.S. OF THE REBATE SYSTEM. MESSAGE OVERALL WAS PRAISED AS BEING A POSITIVE RESPONSE TO THE ENERGY CRISIS, AND HENCE AND SALUTORY EXAMPLE FOR JAPAN TO FOLLOW. COMMENTS INCLUDED SPECULATION ON THE IMPACT ON WORLD OIL SUPPLIES OF VARIOUS MEASURES PROPOSED IN THE U.S. PROGRAM. END SUMMARY.

2. FOR SEVERAL DAYS FOLLOWING THE PRESIDENT'S APRIL 18 FIRESIDE CHAT AND HIS APRIL 20 PRESENTATION TO THE CONGRESS, JAPANESE MEDIA COVERAGE OF THE NEW U.S. ENERGY POLICY WAS EXTENSIVE, AND FEATURED COMMENTS FROM PROMINENT GOVERNMENT AND BUSINESS UNCLASSIFIED

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LEADERS, AS WELL AS EDITORIAL COMMENT, AND STRAIGHT NEWS REPORTS. THE GENERAL REACTION WAS ONE OF ADMIRATION FOR THE LEADERSHIP DEMONSTRATED IN DEVISING AN ENERGY PROGRAM WHICH, THOUGH DRASTIC IN SOME RESPECTS, WAS NEEDED TO MEET THE ENERGY CHALLENGE. THIS LEADERSHIP BY THE WORLD'S PRIMARY CONSUMER OF ENERGY WOULD HELP JAPAN FACE UP TO THE MEASURES IT ALSO MUST TAKE.

3. RESERVATIONS EXPRESSED ABOUT THE POLICY CENTERED PRIMARILY ON THE NUCLEAR REPROCESSING ISSUE, AS WELL AS CONCERN ABOUT THE EFFECT THE REBATE ON SMALL CARS WOULD HAVE ON EXPORTS OF JAPANESE CARS TO THE U.S. IN THE COVERAGE SUBSEQUENT TO THE INITIAL REPORTS AND COMMENTS, THESE TWO CONCERNS, BECAUSE OF THEIR OBVIOUSLY DIRECT INTERNATIONAL EFFECTS, ARE RECEIVING MORE ATTENTION THAN THE OTHER PARTS OF THE PROGRAM. THERE HAS BEEN LITTLE COMMENT ON THE SPECIFICS OF THE PLAN (OTHER THAN THESE TWO ISSUES), BUT A FAIR AMOUNT OF COVERAGE OF CRITICISMS OF THE PROGRAM IN THE U.S.

4. REPRESENTATIVE OF JAPANESE COMMENTS WHICH APPEARED IN THE TWO OR THREE DAYS FOLLOWING THE ANNOUNCEMENT OF THE PROGRAM ARE THE FOLLOWING:

--MITI MINISTER TANAKA: "MITI EVALUATES HIGHLY THE STRONG AND CONCRETE POLICY DECISION OF THE AMERICAN GOVERNMENT TO RESPOND TO THE CRITICAL ENERGY SITUATION IN THE COUNTRY AND IN THE WORLD, AND EXPECTS THAT IT WILL FAVORABLY AFFECT THE ENERGY DEMAND AND SUPPLY OF THE WORLD IN THE FUTURE. MITI INTENDS TO TAKE APPROPRIATE MEASURES ON THE ENERGY PROBLEM BY OBTAINING BETTER UNDERSTANDING OF THE PEOPLE, WHILE COOPERATING FURTHER WITH ADVANCED AND PRODUCING COUNTRIES OF THE WORLD."

--PETROLEUM ASSOCIATION OF JAPAN CHAIRMAN ISHIDA: "I WOULD LIKE TO PAY RESPECT TO THE PRESIDENT FOR HAVING TAKEN UP UNCLASSIFIED

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THE ENERGY PROBLEM AS THE MOST IMPORTANT ISSUE, AND APPEALING TO THE PEOPLE TO SAVE ENERGY IN A COUNTRY LIKE THE U.S., WHICH IS ENDOWED WITH ABUNDANT NATURAL RESOURCES. IT IS QUITE REGRETTABLE THAT EVEN THOUGH JAPAN HAS LITTLE NATURAL RESOURCES OF ITS OWN COMPARED TO THE U.S. THERE IS NO NATIONAL CONSENSUS. I EXPECT THAT THE JAPANESE GOVERNMENT TOO WILL TAKE UP THE ENERGY PROBLEM AS THE MOST IMPORTANT ISSUE OF THE COUNTRY."

--FEDERATION OF ELECTRIC POWER COMPANIES PRESIDENT KATO: "IT IS INTERESTING TO NOTE THAT THE U.S., AN ENERGY RICH NATION, HAS COME UP WITH ENERGY SAVING POLICIES. JAPAN SHOULD EXERT MUCH MORE EFFORT AND PUT EMPHASIS ON ENERGY CONSERVATION IN CARRYING OUT JAPAN'S OVERALL ENERGY POLICY."

AAJAPAN COAL ASSOCIATION PRESIDENT ARIYOSHI: "JAPAN SHOULD EXERT THE UTMOST EFFORTS IN BOTH ENERGY CONSERVATION AND DIVERSIFICATION OF SOURCE OF ENERGY SUPPLY. THE NEW ENERGY POLICY ANNOUNCED IN THE U.S. HAS STRESSED

THE IMPORTANCE OF COAL UTILIZATION. THE JAPANESE COAL INDUSTRY WOULD WANT TO GO INTO COAL MINE DEVELOPMENT ON A PRODUCT SHARING BASIS."

--TOKYO GAS CO. PRESIDENT MURAKAMI: "PRESIDENT CARTER HAS APPEALED TO THE AMERICAN PUBLIC'S FEELING OF NATIONAL CRISIS, AND THE NEED FOR ENERGY CONSERVATION MUST BE THOROUGHLY AND SERIOUSLY STUDIED. THE 'COAL FIRST' POLICY SHOULD BE PUT INTO EFFECT."

--THE NIHON KEIZAI COMMENTED THAT THE "ANNOUNCED U.S. ENERGY POLICY WOULD PROBABLY REQUIRE A POLICY CHANGE BY THE GOJ AND ENERGY RELATED INDUSTRIES TO ADJUST TO A NEW SUPPLY PATTERN, SINCE THE U.S. POLICY DECISION WOULD PROBABLY MAKE THE WORLD ENERGY SITUATION MORE FLUID AND FLEXIBLE. MORE SPECIFICALLY, THE U.S. ENERGY POLICY WILL REQUIRE THAT JAPAN PAY MORE ATTENTION TO ENERGY  
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CONSERVATION THROUGH INTERNATIONAL COOPERATION."

5. COMMENT: APART FROM THE BILATERAL ISSUES ARISING FROM THE ENERGY POLICY STATEMENT, ESPECIALLY THE NUCLEAR REPROCESSING AND THE AUTO TAX/REBATE ISSUE, JAPANESE ARE GENERALLY PLEASED THAT THE U.S. (AT LEAST THE ADMINISTRATION) HAS FINALLY DEMONSTRATED GENUINE CONCERN ABOUT THE ENERGY CRISIS. PREVIOUS STATEMENTS OF CONCERN WERE SOMEWHAT SUSPECT SINCE THEY TENDED TO BE LOST IN THE DATA SHOWING CONTINUALLY INCREASING CONSUMPTION AND AN APPARENTLY LESS-THAN-TOTAL COMMITMENT TO CONSERVE. THE NEW U.S. POLICY COMES WHEN JAPAN IS REVIEWING ITS OWN ENERGY POLICY, AND MAY ENCOURAGE A MORE REALISTIC PROGRAM THAN HAS BEEN PREVIOUSLY POSSIBLE. THE JAPANESE REALIZE, HOWEVER, THAT MANY OF THE ADMINISTRATION PROPOSALS MUST BE SOLD TO THE CONGRESS, AND TO THE PUBLIC, AND WILL BE WATCHING OUR OWN DEBATES, AS WELL AS THE RESULTS WE ACHIEVE IN THE FINAL PACKAGE.  
SHOESMITH

NOTE BY OC/T: NOT PASSED ALL IEA CAPITALS.

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## Message Attributes

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